

Message Text

PAGE 01 NATO 05468 01 OF 02 141201Z

13

ACTION EUR-25

INFO OCT-01 NEA-10 ISO-00 CIAE-00 PM-07 INR-10 L-03

NSAE-00 PA-04 RSC-01 PRS-01 SPC-03 USIA-15 TRSE-00

SAJ-01 MC-02 DRC-01 ACDA-19 /103 W

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FM USMISSION NATO

TO SECDEF WASHDC

SECSTATE WASHDC 2660

INFO DA WASHDC

CDRUSAMC ALEXANDRIA VA

CDRUSAMICOM REDSTONE ARS AL

CDRUSACDCADA FT BLISS TEXT

USCINCEUR VAIHINGEN GER

CINCUSAREUR HEIDELBERG GER

CDR 32D AIR DEF CMD KAISERSLAUTERN GER

CHUSNAHALO PARIS

CHMAAG ATHENS

CHMAAG BONN

CHMAAG COPENHAGEN

CHMAAG ROME

CHMAAG THE HAGUE

C O N F I D E N T I A L SECTION 1 OF 2 USNATO 5468

E.O. 11652: GDS, 31-12-79

TAGS: MARR, NATO

SUBJECT: NATO-HAWK BOARD OF DIRECTORS (BOD) MEETING, 6-9 NOV 73

SECDEF FOR OASD(I&L)-MR FRANKE, & ODDR&E. DA FOR OASA(I&L) AND
DCSLOG(MS-SBI). USAMICOM FOR AMCPM-HA. USCINCEUR FOR MAD AND
J-4 USAREUR FOR AEGD-MR-MM AND USAMICOM FLD OFC (AMCPM-HAI-EUR-
MAJ LYNE).

REFS: A. HMO/2.201/4069/73 (FINAL: COMPLETED), NATO-HAWK BOD
AGENDA, 30 OCT 73.

CONFIDENTIAL

PAGE 02 NATO 05468 01 OF 02 141201Z

B.USNATO 3278

C. USNATO 4913

D. SECSTATE 212953 DTG 292117Z OCT 73

BEGIN SUMMARY. NATO-HAWK BOARD OF DIRECTOR (BOD) MET IN PARIS 6-9 NOV 73. US BOARD MEMBER REPORTS PROCEEDINGS. PRINCIPAL ITEM OF US INTEREST DISCUSSED WAS NATO-HAWK EUROPEAN LIMITED IMPROVEMENT PROGRAM (HELIP). DECISION ON HELIP INITIATION WAS NOT ACHIEVED BUT AFFIRMATIVE DECISION BY DEC 73 NOW APPEARS LIKELY. THE BOD AUTHORIZED THE GENERAL MANAGER (GEN MGR) TO BEGIN NEGOTIATIONS WITH RAYTHEON. DISTRIBUTION OF JOINTLY-OWNED MAINTENANCE FLOAT ITEMS AGAIN DESERVES ATTENTION. MISSION COMMENT PROVIDED AND GUIDANCE REQUESTED. END SUMMARY.

1. NATO-HAWK BOD MET IN PARIS 6-9 NOV 73. PERTINENT AGENDA ITEMS ARE REPORTED BY US BOARD MEMBER (COL LYNCH) PER REF A.

A. ITEM 1-SUMMARY RECORD OF JULY MEETING. APPROVED.
B. ITEM 2.1-EXAMINATION OF RAYTHEON (RAY) QUOTATIONS.

NEW BOD CHAIRMAN(COMMODORE DIETERS, NETHERLANDS) OPENED WITH A STRONG PLEA FOR AFFIRMATIVE DECISION ON HELIPC BEFORE 31 DEC 73. NETHERLANDS (NL) SUBMITTED A WRITTEN STATEMENT OF DESIRE TO CONCLUDE A CONTRACT WITH RAY BY END 73. FRG STATED READINESS TO GO AHEAD, IN PRINCIPLE, BUT IS OBLIGED TO PRESENT FINAL PURCHASE PLAN TO GERMAN PARLIAMENT IN NOV-DEC 73. DUE TO HIGH COST OF PROGRAM, GREECE CONTINUES TO DEFER DECISION ON PARTICIPATION. DENMARK EXPECTS APPROVAL DECISION FROM NEW DEFENSE MINISTER AND PARLIAMENT BEFORE APR 74. FRANCE IS CONTINUING TO EXAMINE POSSIBLE HELIP PARTICIPATION AND WILL INFORM BOD OF DECISION BY END 73. BELGIUM REAFFIRMED THAT IT WILL NOT PARTICIPATE IN HELIP. ITALY CONTINUES TO POSE THE GREATEST STUMBLING BLOCK TO A FAVORABLE HELIP DECISION. THE BASIC ITALIAN PROBLEM IS ITS INSISTENCE ON MAXIMUM ITALIAN INDUSTRY PARTICIPATION COUPLED WITH RESISTANCE TO PRESSURE FROM FRG AND NL FOR ITALY TO BEAR THE BRUNT OF THE INCREASED PROGRAM COSTS DUE TO ITALIAN INDUSTRY PARTICIPATION. NL AND FRG OFFERED TO SHARE A PORTION OF INCREASED PROGRAM COSTS UP TO A MAXIMUM LIMIT OF 4.1 PERCENT OVER FEB RAY OFFER. THIS PERCENTAGE LIMIT REFLECTS THE ESTIMATED PROGRAM COST INCREASE ASSOCIATED WITH NON-PARTICIPATION BY ITALY IN HELIP SHOULD FINAL IMPASSE LEAD TO THA SITUATION.
CONFIDENTIAL

PAGE 03 NATO 05468 01 OF 02 141201Z

ALL POSSIBLE PARTICIPATING COUNTRIES EXCEPT ITALY SUPPORTED LOWEST COST APPROACH. FRANCE POINTED OUT THAT SHOULD FRANCE PARTICIPATE, THE COSTS TO MEMBERS QUOTED IN THE RAY SEPTEMBER QUOTATION WOULD DECLINE BY AN APPROXIMATE 2.9 PERCENT. AN ELOQUENT PLEA FOR ACTION ON BEHALF OF SACEUR BY THE SHAPE REP MADE FURTHER COMMENT BY THE US (WITH REGARD TO URGENCY AND PROCUREMENT LEAD TIME PROBLEMS) UNNECESSARY.

THE HELIP PARTICIPATION ISSUE WAS DISCUSSED AT INTERVALS THROUGHOUT THE FOUR DAYS IN BOTH OPEN AND CLOSED (FRG, NL, ITALY AND GEN MGR) SESSIONS. THE PRINCIPAL NATIONS FINALLY AGREED TO SUBMIT THE PROBLEM TO HIGHER NATIONAL LEVEL FOR RESOLUTION. APPARENTLY THIS WILL INVOLVE CHIEFS OF MATERIEL PROCUREMENT

(WAHL-FRG, STOCKLA-NL AND RANGALDI-ITALY). RESOLUTION AT THAT LEVEL IS EXPECTED PRIOR TO NEXT SCHEDULED MEETING OF BOD IN DEC 73.

THE BOD AUTHORIZED THE GEN MGR (MANCINI) TO BEGIN NEGOTIATIONS WITH RAY. NEGOTIATIONS WILL START FROM THE BASIC SEP OFFER WHICH INCLUDES MAXIMUM PARTICIPATION IN ITALIAN INDUSTRY. OBJECTIVE IS TO HAVE CONTRACT SIGNATURE DURING WEEK OF 24 DEC 73. USNATO COMMENT: ALTHOUGH THIS MEETING WAS ANOTHER IN A LONG SERIES WITHOUT A DECISION ON HELIP, THE SENSE OF URGENCY THIS TIME WAS OBVIOUS FROM THE OPENING OF THE MEETING. THE FRG AND NL ARE DETERMINED TO GET STARTED BY THE END OF 73. THE DECISION TO SUBMIT THE WRANGLE OVER COSTS TO THE THREE NATIONAL PROCUREMENT AUTHORITIES IS A GOOD ONE. THE OTHER SIGNIFICANT ITEM IS THE FRESH STRONG INTEREST SHOWN BY FRANCE. IN CORRIDOR DISCUSSION THE US LEARNED THAT FRANCE MAY ANNOUNCE ABOUT 28-30 NOV ITS DECISION ON HELIP PARTICIPATION. IF AFFIRMATIVE, FRANCE IS EXPECTED TO IMPROVE THREE BATTALIONS. END COMMENT.

CONFIDENTIAL

PAGE 01 NATO 05468 02 OF 02 141301Z

50

ACTION EUR-25

INFO OCT-01 NEA-10 ISO-00 CIAE-00 PM-07 INR-10 L-03

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C O N F I D E N T I A L SECTION 2 OF 2 USNATO 5468

C. ITEM 2.2 - DRAFT PHASE C DECISION. ANTICIPATED ITALIAN

REQUEST OF THE US FOR FREE-OF-CHARGE GOVERNMENTAL SERVICES DID NOT MATERIALIZE. NO UK STATEMENT IN THIS REGARD WAS REQUIRED. ALTHOUGH THE BOD CONDUCTED A LENGTHY DISCUSSION OF THIS ITEM, THE MEMBERS WERE UNABLE TO AGREE ON ALL POINTS. IN FINAL FORM THE PHASE C DECISION MUST REFLECT THE DECISIONS ACHIEVED WITH REGARD TO HELIP PARTICIPATION.

D. ITEM 2.4 - MODIFICATION TO NHPLO CHARTER. THE BOD ACTED UPON A SUGGESTION BY THE NL TO REFER THE MATTER OF NATO-HAWK PRODUCTION & LOGISTICS ORGANIZATION (NHPLO) CHARTER CHANGES BACK TO THE NATO-HAWK CONTRACTUAL COMMITTEE FOR A REVIEW OF THE NEED
CONFIDENTIAL

PAGE 02 NATO 05468 02 OF 02 141301Z

FOR THE PROPOSED MINOR CHANGES. THE US MEMBER ABSTAINED FROM COMMENT. FOR THE PRESENT THERE WILL BE NO CHANGE IN STATUS WITH RESPECT TO THE US REPRESENTATION FOR MATTERS PERTAINING TO LOGISTICAL SUPPORT.

3. ITEM 3.7 - DIVIDING UP OF THE HAWK COMMON DEPOT STOCK AFTER THE HELIP DECISION. THE NATO-HAWK MANAGEMENT OFFICE (NHMO) STATED THAT THE COMMON DEPOT STOCK PROBLEM INCLUDES THREE INTER-RELATED AREAS AS FOLLOWS:

(1) COMMON DEPOT STOCK WHICH INCLUDES STOCK IN EUROPEAN DEPOTS, STOCK IN US, AND IN SOME CASES, SERVICES (NOT OTHERWISE DEFINED). NHMO WILL PREPARE A PLAN WITHIN A FEW WEEKS FOR STEP-BY-STEP DECREASE OF BASIC HAWK ITEMS. THE PLAN WILL INSURE THAT APPROPRIATE STOCK LEVELS TO SUPPORT BOTH BASIC HAWK AND HELIP ARE MAINTAINED.

(2) RAY REQUIREMENT FOR MAINTENANCE FLOAT ITEMS (THE AREA IN WHICH THE US HAS AN IMPORTANT FINANCIAL INTEREST). THE NHMO MUST WORK OUT AN OVERALL PLAN IN CONJUNCTION WITH RAY AND REPORT BACK TO THE BOD (SEE LATER USNATO COMMENT ON THIS SUBJECT).

(3) ELECTRONIC CHASSIS MODIFICATIONS. ALL CHASSIS IN COMMON DEPOT STOCK WILL BE MODIFIED (UNDER CURRENT NHMO PLANS) TO BRING THEM UP TO HELIP CONFIGURATION. ALL MODIFIED CHASSIS WITH OVER TWO (2) YEARS SINCE OVERHAUL WILL BE OVERHAULED. THE COUNTRIES HAVE NOT YET DECIDED WHERE MODIFICATIONS AND OVERHAUL SHOULD BE ACCOMPLISHED.

F. ITEM 5.1 - REORGANIZATION OF THE MANAGMENT OFFICE. REF: HMO/1.2.08/4688/73, 30 OCT 73. THE GEN MGR REPORTED ON A COMPREHENSIVE PLAN FOR REORGANIZATION OF THE NHMO. IN GENERAL THE BOD WAS PLEASED WITH THE APPROACH TAKEN AND WITH THE INITIATIVE DISPLAYED BY THE NHMO. THE GEN MGR ANTICIPATES THAT PERSONNEL SPACES IN THE FINAL RESTRUCTURED ORGANIZATION WILL APPROXIMATE THE NUMBER IN THE PRESENT NHMO (132 TOTAL SPACES).

G. ITEM 6 - DATE AND PLACE OF NEXT MEETING. 11-13 DEC 73 IN PARIS.

2. USNATO COMMENT. REFS: HMO/10.9.01/5758/73, 7 NOV 72 AND
CONFIDENTIAL

PAGE 03 NATO 05468 02 OF 02 141301Z

HMO/10.9.01/3088/73, 3 JULY 73; SECSTATE 020140 DTG 021515Z
FEB 73 AND 063597 DTG 060037Z APR 73. PENDING AN AFFIRMATIVE HELIP
DECISION, AND IN ACCORDANCE WITH INSTRUCTIONS, THE US HAS BEEN
MARKING TIME ON THE ISSUE OF DISTRIBUTION OF JOINTLY-OWNED
MAINTENANCE FLOAT ITEMS. PARTICIPATING NATIONS ARE STILL IN THE
PROCESS OF DECIDING WHAT ITEMS OF EQUIPMENT THEY MAY WISH TO
ACQUIRE FROM THE MAINTENANCE FLOAT. THE FORMER US HAWK PROJECT
MANAGER (COL BUZZETT) INFORMED US BOARD MEMBER (COL LYNCH)
IN MAR 73 THAT THE US PROBABLY COULD UTILIZE SECECTED ITEMS
OF EQUIPMENT FROM THE MAINTENANCE FLOAT. NATO-HAWK LIAISON
OFFICIER (LTC CANJA) WILL REQUEST PRIORITY LISTING OF ITEMS
FROM HAWK PROJECT TO BE IDENTIFIED FOR DESIRED RETRIEVAL BY THE
US FROM THE JOINTLY-OWNED MAINTENANCE FLOAT. USNATO SUGGESTS
THAT THE BEST APPROACH FOR THE US CONSISTS OF A COMBINATION
OF EQUIPMENT RETRIEVAL AND POSSIBLE PARTIAL CASH RIEMBUSR-
SEMENT FROM RECIPIENT NATIONS (DENMARK, GREECE AND ITALY)
FOR PORTIONS OF THE US SHARE. THUS FAR, ONLY DENARK APPEARS TO
BE WILLING (SUBJECT TO NUMEROUS RESERVATIONS) TO PAY THE US
FOR ONE SPECIFIC ITEM OF EQUIPMENT (ONE OF TWO SHOP-TWO VANS IN
THE JOINT FLOAT). IN GENERAL IT APPEARS UNLIKELY THAT GREECE
OR ITALY WILL CHOOSE TO ACCEPT MUCH IF ANY JOINTLY-
OWNED MAINTENANCE FLOAT EQUIPMENT FROM THE US SHARE IF CASH
REIMBURSEMENT IS REQUIRED. US BOD MEMBER AND NHLO WILL CONTINUE
TO TRY TO IDENTIFY SPECIFIC ITEMS WHICH MAY BE DESIRED BY THESE
TWO COUNTRIES OR NHMO. IF THE CONDITIONED DANISH PROPOSAL TO
ACQUIRE A SHOP-TWO VAN MATERIALIZES, THE US COULD EXPECT TO
RECEIVE ESTIMATED MAXIMUM \$200,000 REIMBURSEMENT (NHMO ESTAB-
LISHED QUOTE LIST PRICE UNQUOTE OR BUDGETARY PLANNING ESTIMATE).
THEREFORE, THE US CONCEIVABLE COULD PLAN TO RETRIEVE UP TO
APPROXIMATELY \$750,000 WORTH OF JOINTLY-OWNED EQUIPMENT ITEMS,
IF NEEDED, FOR THE US IMPROVED HAWK PROGRAM. US CONSIDERATIONS OF
RETRIEVAL OF MAINTENANCE FLOAT ITEMS SHOULD INCLUDE PROBLEMS OF
UNKNOWN ITEM CONDITION, CONFIGURATION DIFFERENCES, AND COSTS
OF LOCATING, PACKING AND SHIPPING ITEMS TO CONUS. END COMMENT.

3. MISSION REQUESTS CONCURRENCE OR ALTERNATE GUIDANCE WITH
REGARD TO APPROACH TO MAINTENANCE FLOAT PROBLEM DESCRIBED ABOVE.
WASHINGTON GUIDANCE AS WELL AS HAWK PROJECT MANAGER'S STAT-
EMENT OF INTEREST IN SPECIFIC MAINTENANCE FLOAT ITEMS REQUIRED
BY 7 DEC 73.
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PAGE 04 NATO 05468 02 OF 02 141301Z

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